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U.S. DEFICIT BEHIND TAX ON OIL IMPORTS

PA242212 Mexico City EXCELSIOR in Spanish 22 Oct 86 p 6-a

[Editorial: "Uncontrollable Deficit"]

[Text] Even though it may be said that electoral pressures have caused the Reagan administration to tax oil imports, behind this is a much more serious, long-term problem: the ever-increasing instability of the U.S. economy. On one hand, the trade balance is experiencing an uncontrollable deficit, which by the end of 1986 will reach some \$170 billion, and on the other hand, the budget deficit is also increasing to an amount of \$215 billion. The United States will have a total internal debt of more than \$8 trillion.

In light of these figures, we can clearly understand the theory of President of International Consultants Julio Millan, who said that the United States is entering a so-called "fictitious economy," with speculative elements. The only difference is that Washington is capable of using its strength and its powerful position to transfer the costs of its crisis to the rest of the world. Millan calls, with every right, on the United States to use its hegemony to make internal adjustments, which cannot be postponed, and not use other countries as its "safe."

The United States will make a big mistake if it forgets its international agreements. Its unilateral stance of placing a tax on oil imports could be the beginning of an international wave of protectionism that could adversely affect Washington and the U.S. banking system, because ever since 1985, and for the first time since 1917, our neighboring country is a debtor by a huge proportion in relation to the rest of the world.

Supports Venezuelan Protest

PA251655 Mexico City Red Nacional 13 Imevision Television in Spanish 0300 GMT 25 Oct 86

[Text] Venezuela has protested at the OAS a U.S. decision to levy a tax on petroleum imports. Mexico and Ecuador expressed support for the protest. A document states that the U.S. measure is part of an increasing protectionism that is contrary to freedom in the international economy.

In Caracas, Foreign Minister Simon Alberto Consalvi said that Latin American oil exporters might hold a meeting at the foreign ministry level to seek ways to counter the U.S. measure.

CONGRESS PROTESTS U.S. SENATE DRUG RESOLUTION

PA241738 Mexico City XEW Television Network in Spanish 1300 GMT 24 Oct 86

[Report by Magdalena Garcia De Leon]

[Text] The Mexican Congress has protested to the U.S. Senate against the Congressional resolution charging the Mexican Government with doing nothing for the campaign against drug trafficking.

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The Mexican legislators said that there is a misinterpretation of the information that our government has handed to U.S. Secretary of State George Shultz. The deputies and the senators believe that the evidence clearly shows that Mexico has destroyed 80 percent of the marijuana plantations and has destroyed a similar percentage of poppy plantations. They also noted that the government has allocated a large amount in the budget for the campaign against drugs, with the participation of the Army and the judicial police. Moreover, they noted that the number of people arrested during these campaigns has no precedent in the struggle against drug trafficking, and that neither the consumption nor the demand for drugs has been reduced in the United States.

The Senate of the Republic has sent a protest note to Senator Robert Dole in which it presents its position. The legislators said they are surprised by these charges because the U.S. secretary of state and attorney general have openly recognized the efforts carried out by Mexico in the struggle against drug trafficking.

DEPUTY SECRETARY COMMENTS ON TALKS IN USSR

PA241729 Mexico City EXCELSIOR in Spanish 21 Oct 86 pp 4-a, 20-a

[By Antonio Garza Morales]

[Text] The Secretariat of Energy, Mines, and Parastatal Industry has announced that Mexico and the USSR agreed to continue restricting hydrocarbon exports to contribute to the stabilization of the market and the strengthening of hydrocarbon prices if OPEC and other nations do the same.

Deputy Secretary Jose Luis Alcudia, who participated in the 4th meeting of the Joint Economic and Trade Corporation Commission that was recently held in Moscow, conveyed the Mexican decision to maintain its export quotas for the rest of 1986.

Alcudia briefed Secretary Alfredo del Mazo about his meeting with the Soviets; he said that the two countries agreed to prevent the saturation of the international petroleum market, and that they should meet regularly and systematically to exchange views regarding the petroleum industry.

To do that, the two countries agreed to improve mechanisms for bilateral communication and stay appropriately informed about the behavior of the international petroleum market.

Because of the geographical distance between the two nations, they had not consulted each other on petroleum matters before. This is the first joint action in regard to hydrocarbon sales.

The USSR mainly supplies hydrocarbons to socialist countries in Europe, although it has recently dealt with free markets such as the one in Rotterdam.